

TABLE OF CONTENTS

	Page
COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	v
ABSTRACT.....	vi
ABSTRAK.....	vii
PREFACE.....	viii
TABLE OF CONTENTS	x
LIST OF FIGURES	xiv
LIST OF TABLES	xv
CHAPTER I INTRODUCTION	1
1.1 Background of Study.....	1
1.2 Problem Limitation	5
1.3 Problem Formulation.....	5
1.4 Objective of The Research	6
1.5 Benefit of The Research	6
1.5.1 Theoretical Benefit	7

1.5.2 Practical Benefit.....	7
CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT	8
2.1 Signaling Theory	8
2.2 Financial Ratio	8
2.2.1 Profitability	10
2.2.2 Liquidity	13
2.2.3 Solvability.....	15
2.2.4 Activity	16
2.3 Previous Research	18
2.4 Hypothesis Development	22
2.4.1 Influence of Current Ratio towards Return on Assets	22
2.4.2 Influence of Debt to Assets Ratio towards Return on Assets	23
2.4.3 Influence of Inventory Turnover towards Return on Assets	24
2.4.4 Influence of Current Ratio, Debt to Assets Ratio and Inventory Turnover towards Return on Assets	24
2.5 Research Model.....	25
2.6 Framework of Thinking	26
CHAPTER III RESEARCH METHODOLOGY	27
3.1 Research Design	27
3.2 Population and Sample.....	27

3.3 Data Collection Method	29
3.4 Operation Variable and Variable Measurement.....	29
3.4.1 Independent Variable.....	29
3.4.2 Dependent Variable	30
3.5 Data Analysis Method.....	31
3.5.1 Descriptive Statistical Analysis	31
3.5.2 Classical Assumption Test.....	32
3.5.3 Hypothesis Testing	36
CHAPTER IV RESEARCH RESULT AND DISCUSSION	39
4.1 General View of Property and Real-estate companies in Indonesia	39
4.2 Research Result	41
4.2.1. Descriptive Statistical Analysis	41
4.2.2 Classical Assumption Test	43
4.2.2.1 Normality Test.....	43
4.2.2.2 Multicollinearity Test	46
4.2.2.3 Heteroscedasticity Test.....	47
4.2.2.4 Autocorrelation Test	49
4.2.3 Multiple Linear Regression Analysis.....	50
4.2.3.1 Partial Hypothesis Test (T-test)	52
4.2.3.2 Simultaneous Hypothesis Test (F Test).....	53
4.2.3.3 Coefficient of Determination (R^2)	54
4.3 Discussion of Research Result	54

4.3.1 The Influence of Liquidity towards Profitability	54
4.3.2 The Influence of Solvability towards Profitability	56
4.3.3 The Influence of Activity towards Profitability	57
4.3.4 The Influence of Liquidity, Solvability, and Activity towards Return on Assets	58
CHAPTER V CONCLUSION	59
5.1 Conclusion.....	59
5.2 Recommendation.....	60
REFERENCES.....	62

LIST OF FIGURES

	Page
Figure 2.1 Research Model	25
Figure 4. 1 Normality Test using Histogram BeforeTransform	43
Figure 4. 2 Normality Test using Normal Probability Plot Before Transform	44
Figure 4. 3 Normality Test using Histogram After Transform	44
Figure 4. 4 Normality Test using Normal Probability Plot After Transform	45
Figure 4. 5 Scatterplot Graph.....	48

LIST OF TABLES

	Page
Table 1.1 Table of Phenomenon	4
Table 2.1 Previous Research.....	21
Table 3. 1 Criteria of Samples	28
Table 3.2 Table List of Companies Listed in the Research Criteria	28
Table 3. 3 Durbin Watson Autocorrelation Criteria	36
Table 4. 1 Descriptive Statistics.....	42
Table 4. 2 Normality Test using K-S Before Transform	45
Table 4. 3 Normality Test using K-S Test After Transform.....	46
Table 4. 4 Multicollinearity Test	47
Table 4. 5 Glejser Test	48
Table 4. 6 Autocorrelation Test	49
Table 4. 7 Multiple Regression Linear Analysis	50
Table 4. 8 T-test Result	52
Table 4. 9 F-test Result	53
Table 4. 10 Coefficient of Determination Result.....	54

LIST OF APPENDICES

APPENDIX A: LIST OF COMPANIES USED AS RESEARCH SAMPLES FOR 2018 – 2021.....	A-1
APPENDIX B: CALCULATION OF CURRENT RATIO.....	B-1
APPENDIX C: CALCULATION OF DEBT TO ASSETS RATIO.....	C-1
APPENDIX D: CALCULATION OF INVENTORY TURNOVER RATIO.....	D-1
APPENDIX E: CALCULATION OF RETURN ON ASSETS.....	E-1
APPENDIX F: SPSS OUTPUT RESULT	F-1